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FE - Mr. Parsons

December 15, 1959

CA - Edwin W. Martin

Talking Papers for your December 16 Meeting with Ambassador Yeh

I am attaching three talking papers for your meeting with Ambassador Yeh on December 16. They deal with the questions of GRC para-military operations on the China mainland, GRC support for the Chinese "irregulars" in the Burma-Laos-Thailand border area, and the implications of the Cuban situation for the GRC's international position.

You will recall that during Mr. Dillon's visit to Taiwan President Chiang mentioned what he considered a lack of confidence on the part of the United States Government in the GRC's ability to organize anti-Communist movements on the mainland. President Chiang said that the United States "must agree" that the GRC was at liberty to support resistance movements on the mainland. He also stated that while we had promised to supply 3,000 parachutes for Chinese Special Forces, not one had yet been delivered. Mr. Dillon told President Chiang that he would look into the matter upon his return to Washington. On November 24 you signed a memorandum to Mr. Dillon recommending that he authorize you to call in Ambassador Yeh and discuss the points raised by President Chiang along the lines of the attached talking paper. Mr. Dillon has approved this recommendation.

The need to discuss the irregulars problem with Ambassador Yeh has arisen as a result of several recent intelligence reports that the GRC has resumed supply operations to the irregulars. Last summer we made strong representations to the GRC in Taipei through the Embassy and the CAS Station Chief urging discontinuance of such operations and severance of GRC relations with the irregulars. It was agreed at a recent working-level meeting with CIA that further representations in Taipei hold little more hope of persuading the Chinese than our earlier ones, and that the most promising step at this point would be to speak to Ambassador Yeh.

With respect to the Cuban question, Mr. Steeves and Ambassador Bonsal during a discussion on December 11 concluded that we should explore the possibility of utilizing the strong position of the

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Catholic Church in Cuba to exert a helpful influence on the Castro regime with regard to China policy. To this end Mr. Steeves and Ambassador Bonsal agreed that we should suggest to Ambassador Yeh that the GRC make an approach to the Pope through Ambassador Wu at the Vatican, or possibly through Cardinal Tien or Archbishop Yu Pin.

Attachments:

Three talking papers.

1. GRC Para-Military Operations on the China Mainland
2. GRC Support of Chinese Irregulars
3. GRC Efforts to Counter Pro-Peiping Trend of Castro Regime

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GRC Para-Military Operations on the China Mainland

1. During Mr. Dillon's visit to Taiwan in October President Chiang raised several points related to GRC para-military operations on the China mainland and the United States attitude toward and support of such activities. Mr. Dillon promised President Chiang that he would look into the matter upon his return to Washington. This has now been done, and we wish to convey to President Chiang through the Ambassador our position on the points raised by him.

2. We, of course, sympathize with the GRC's desire to restore the mainland to freedom and will continue to give what support we can to GRC measures to attain this objective by political means, including propaganda and psychological warfare.

3. We believe the highest priority should be given to determining mutually agreed GRC resistance assets to be developed on the mainland, and United States agencies are prepared to give all practicable assistance in making this determination, as well as subsequently in supporting this effort.

4. We understand that the MAAG training program for 3,000 Special Forces is under way and will be completed in the spring of 1960. According to information available to us, approximately 1,500 parachutes suitable for paratrooper use are scheduled for delivery under the FY 1959 Military Assistance Program early in 1960. Additional parachutes are included in the FY 1960 and FY 1961 Military Assistance Programs, according to the MAAG in Taiwan. If there is any further question concerning delivery of parachutes, we suggest that the matter be taken up directly with United States military authorities in Taiwan.

5. Employment of these Special Forces would, of course, be governed by the Exchange of Notes of December 10, 1954, pursuant to the Mutual Defense Treaty and the Joint Communique of October 23, 1958. Unilateral employment of GRC forces, whether regular or special, against the mainland would be contrary both to those undertakings and to the international interests of the GRC.

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CMC Support of Chinese Irregulars

1. During the past few weeks we have received a number of reports, emanating from the Burma-Laos-Thai border area, that the CMC has resumed air drops of small arms, ammunition and other supplies to the Chinese irregular units in that area. Reportedly these supply operations have been undertaken in response to claims by the irregulars that Government of Burma armed forces are preparing to launch a large-scale offensive against them.

2. No information has reached us from Rangoon that would substantiate reports of an imminent GUB offensive against the irregulars. GUB forces have been more active recently in northeastern Burma, but our reports indicate that their operations are directed against Shan dissidents rather than against the irregulars.

3. In our view continued CMC support of and assistance to the irregulars are incompatible with United States and free world interests in Southeast Asia, including the interests of the CMC, for the following reasons:

a. These activities tend to weaken the position of the Ne Win government, which has brought sorely needed internal stability to Burma, pursued a strong policy toward Burmese Communists and fellow travelers, and shown a sympathetic and cooperative attitude toward the free world. It would be particularly unfortunate to risk discrediting the regime and jeopardizing its achievements at a time when national elections to determine its successor are imminent.

b. There is a grave danger that the Chinese Communists may at any time seize on CMC support of the irregulars as a pretext to send its forces into the area for the alleged purpose of restoring order.

c. Continued CMC support of the irregulars could well result, particularly during the coming election campaign, in public charges by unfriendly Burmese elements that would prove highly embarrassing to the GUB. Evidence that the GUB was acting in clear contravention of its own pledged word in 1954, not to maintain any relations with the irregulars remaining in the area nor furnish them with any support or assistance, would surely prove damaging to its international prestige and position.

d. During the past few years, and notably in recent months, there have been encouraging signs of a growing community of interests among free world nations in Southeast Asia which holds great promise

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for closer regional cooperation to cope with Communist expansionist pressures and subversion. This trend is surely one that is in the interests of the GRC as a member of the free world community and one which they must wish to encourage. However, its continued support of the irregulars is calculated to have the opposite effect of perpetuating a long standing irritant in the area and of fostering continued suspicion and distrust between such countries as Burma, Laos and Thailand.

Against these liabilities involved in continued GRC support of the irregulars we see no corresponding benefit to be gained. They present no real threat to Peiping's control of Yunnan, and do not even tie down any sizable number of Communist troops in that remote border area. We see no prospect that they could serve as a nucleus of significant operations against the Communist-controlled mainland.

The loyalty of the irregulars to the GRC and its cause, moreover, is dubious. Since the 1953-54 evacuation the irregulars have been composed almost entirely of local elements who are concerned only with advancing their own local interests, primarily opium trading. By the GRC's own testimony they are not subject to Taipei's control to any appreciable extent.

4. The inescapable fact is that the irregulars are occupying Burmese territory. If the GRC should decide to undertake a major military operation against them, we would be in no position to seek to restrain it. This would be true especially since the Burmese have claimed from time to time that they have obtained evidence pointing to cooperation between the irregulars and Shan dissidents.

5. For these reasons we urge that the GRC in its own as well as general free world interests take the following actions:

a. Discontinue air drops of supplies to the irregulars;

b. Cease supply of arms and ammunition to the irregulars by other means;

c. Withdraw the cadre of GRC officers now in the irregulars' area;

d. Sever all connections with the irregulars, leaving them to fend for themselves.

Clearances:

SEA - Mr. Sussey (in draft)
Mr. Brown (in draft)